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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 97-
1st Session } { 101 Part 1

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1982

MAY 19, 1981.—Ordered to be printed

Mr. BOLAND, from the Permanent Select Committee on Intelligence, submitted the following

REPORT

[To accompany H.R. 3454]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 3454) to authorize appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the United States Government, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

This bill would:

(1) Authorize appropriations for fiscal year 1982 for (a) intelligence and intelligence-related activities of the U.S. Government, (b) the Intelligence Community Staff, and (c) the Central Intelligence Agency Retirement and Disability System;

(2) Authorize the personnel ceilings on September 3, 1982 for (a) intelligence and intelligence-related activities, and (b) the Intelligence Community Staff;

(3) Authorize supplemental appropriations for fiscal year 1981 for intelligence and intelligence-related activities of the U.S. Government;

(4) Provide authority to the Director of Central Intelligence to pay members of advisory committees at a rate not to exceed the daily equivalent of the rate of pay in effect for grade GS–18;

(5) Provide authority to the Director of Central Intelligence and the Director of the National Security Agency to pay benefits and allowances to certain intelligence personnel comparable to those pro-

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vided to the Foreign Service or where necessary to meet the requirements of officially authorized travel, personnel and physical security activities, operational activities and cover-related activities, and to pay travel expenses of intelligence personnel in order to reflect intelligence requirements not taken into account in the formulation of government-wide travel procedures;

(6) Provide authority to the Director of the National Security Agency to offer language training and incentives to cryptologic employees and to establish a cryptologic linguist reserve program;

(7) Provide authority to the Director of the National Security Agency to make grants for cryptologic research;

(8) Provides that funds specifically appropriated to government agencies for the purchase by the National Security Agency of cryptologic equipment will be available for three fiscal years.

OVERALL SUMMARY OF COMMITTEE ACTION

[In millions of dollars]

	Fiscal year 1981	Fiscal year 1982 budget request	Committee recommends	Committee recommended change
Intelligence activities				
Intelligence community staff	18.3	15.4	13.6	−1.8
CIARDS	55.3	84.6	84.6	
Total				

Overall Perspective on the Intelligence Budget

Committee intent

The committee has considered several times the question of public disclosure of various intelligence budget figures and has concluded that disclosure is not in the public interest. By itself, a single intelligence budget total would probably not harm intelligence activities or capabilities. Such a number, however, would be meaningless in a vacuum. It is unclear what number would be used: the total National Foreign Intelligence Program? Tactical Intelligence and Related Activities? Authorization? Appropriation? In any case, the description which would be necessary to make the budget figure comprehensible would itself be highly sensitive. It is in this context that the committee fears that budget disclosure can be harmful and inconsistent with the primary purpose of secrecy in intelligence matters.

Intelligence activities and capabilities are inherently fragile. Unlike weapons systems, which can be countered only by the development of even more sophisticated systems developed over a long period, intelligence systems are subject to immediate compromise. Often they can be countered or frustrated rapidly simply on the basis of knowledge of their existence. Thus budget disclosure might well mean more to this country's adversaries than to any of its citizens. Further, this information could then be used to frustrate United States intelligence missions.

The committee recognizes that the best argument in favor of budget disclosure is public accountability. Because it feels strongly, however,

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that the public does not wish congressional oversight to frustrate legitimate intelligence activities, but rather to guarante their proper course, the committee continues to believe that disclosure of any intelligence budget information is not in the public interest. The committee has and will continue to make a consistent effort to conduct its oversight and legislative proceedings in public in order to provide the public with the assurance that intelligence activities are receiving appropriate congressional scrutiny.

The classified Schedule of Authorizations and the detailed explanation found in the annex to this public report contain a thorough discussion of all budget issues considered by the committee and are available to all Members of the House. The Schedule of Authorizations lists the amounts of dollars and personnel ceilings for all the intelligence and intelligence-related programs authorized by the bill. These are directly incorporated into, and are integral to, the bill itself. It is the intent of the committee that all intelligence programs discussed in the annex to this report be conducted in accordance with the guidance and limitations contained therein.

Scope of committee review

The National Foreign Intelligence Program budget consists of resources of the following departments, agencies and other elements of the Government: (1) the Central Intelligence Agency; (2) the Department of Defense; (3) the Defense Intelligence Agency; (4) the National Security Agency; (5) the Departments of the Army, Navy and Air Force; (6) the Department of State; (7) the Department of Treasury; (8) the Department of Energy; (9) the Federal Bureau of Investigation; (10) the Drug Enforcement Administration; and (11) the Intelligence Community Staff of the Director of Central Intelligence. The Department of Defense Tactical Intelligence and Related Activties (TIARA) are a diverse array of reconnaissance, surveillance and target acquisition programs which are a functional part of the basic force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and Department of Defense, include those activities outside the defense intelligence program which respond to operational command tasking for time sensitive information as well as to national command, control and intelligence requirements. These military intelligence activities also fall within the jurisdiction of the Committee on Armed Services. Pursuant to their shared jurisdiction, both committees have agreed to the amounts authorized for TIARA programs.

Beginning in mid-February 1981, the Program and Budget Authorization Subcommittee conducted a series of hearings which ran through March. The budget hearings involved a total of more than 40 hours of testimony with witnesses from each maior intelligence and intelligence-related program. These budget hearings resulted in additional written responses to several hundred questions.

Overall Committee Findings and Recommendations

The administration requested a substantial increase for fiscal year 1982 over the amount Congress appropriated for intelligence in fiscal

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year 1981. In part the increase resulted from inflation, in part from the need to procure new types of equipment to provide better intelligence support to combat unts, in part to improve or upgrade existing intelligence systems and in part to initiate new systems. The committee is convinced that U.S. intelligence agencies are performing a vital service for the national securty. However, the committee also finds certain shortcomings in the management and conduct of certain of the nation's intelligence activities. Recommendations for making improvements in these areas are contained in the classified annex to this report and the committee will be pursuing these and other related issues further during the coming months. In general, the committee supports the level of effort requested by the President in his budget.

The committee was not convinced, however, that the total amount requested for fiscal year 1982 was fully warranted. Therefore, the committee has recommended deferral of certain proposals and the deletion of others, while a few items were increased. The overall impact of the recommendation is a reduction in the request. In the committee's view the recommended authorization for the intelligence and intelligence-related activities in this bill represents a reasonable balance between needed capabilities and prudent cost.

Section-by-Section Analysis

TITLE I—INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Section 101 lists the departments and agencies for whose intelligence and intelligence-related activities the bill authorizes appropriations for fiscal year 1981.

Section 102 makes clear that, with the exception of section 105, details of the committee's recommendations with respect to the amounts to be appropriated for intelligence and intelligence-related activities and personnel ceilings covered under this title for fiscal year 1982 are contained in a classified Schedule of Authorizations to the bill and the classified annex to this report. The Schedule of Authorizations is incorporated into H.R. 3454 by this section.

Section 103 provides that each individual ceiling (i.e., line item) established specifically in the Schedule of Authorizations will be a limitation on obligation and expenditure and not simply a recommendation and ceiling for appropriations. The section requires that funds obtained from any source, whether direct appropriations, transfer, reprograming, etc., not be obligated in excess of the Schedule except by notification. The section is not intended to alter existing arrangements with the Administration worked out over many years by the Committees on Armed Services and Appropriations regarding notification for prior approval, dollar thresholds by appropriation category, etc. These arrangements have been adhered to by the Administration and the Permanent Select Committee on Intelligence for intelligence matters and will continue to be. The purpose of section 103 is to allow for reprograming and transfer actions which exceed one or more individual authorization ceilings without creating the need for supplemental authorization but, at the same time, assuring that such actions are made with the involvement and approval of the oversight and appropriations committees.

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Section 104 makes clear that, with the exception of specific legislative authorities in title II and V, the committee only intends to authorize appropriations for fiscal year 1982. H.R. 3454 does not otherwise authorize intelligence and intelligence-related activties. Authority for any such activities must be derived from other legal or constitutional sources.

Section 105 authorizes appropriations of $11,900,000 for the counterterrorism program of the Federal Bureau of Investigation.

TITLE II—INTELLIGENCE COMMUNITY STAFF (ICS)

Authorization request

Sections 201 and 202 authorize appropriations, personnel end strength, and certain administrative authorities for the Intelligence Community Staff (ICS), which provides the Director of Central Intelligence (DCI) with staff assistance to carry out his intelligence community responsibilities. The staff supports the DCI in the execution of his responsibilities to develop, review and approve the national foreign intelligence program budget, to evaluate the performance of foreign intelligence activities, and to develop issues, goals and other required guidance for the intelligence community. The Intelligence Community Staff is composed of a permanent cadre, detailed community personnel and contract hirees. The fiscal year 1982 request for the IC Staff was $15.4 million and 245 positions.

Committee recommendation

In section 201, the committee recommends an appropriation in the amount of $13.6 million for the intelligence community staff in fiscal year 1982. This is a reduction of $1.8 million from the fiscal year 1982 budget request.

In section 202(a), the committee recommends a personnel strength not exceeding 220 full-time employees as of September 30, 1981. This is 25 positions less than the number which the administration has requested.

	Fiscal year 1982 request	Recommended action	Authorization
External research contracts	3.1	−0.8	2.3
Reorganization	9.9	−1.0	8.9
Remaining ICS funding	2.4		2.4
Total ICS funding	15.4	−1.8	13.6
Total ICS manpower	(245)	(−25)	(220)

Committee recommended changes

The committee's actions with respect to the Intelligence Community Staff fall in two categories, External Research and Analysis Contracts and ICS Reorganization.

External Research and Analysis Contracts, −$0.8 M

The Intelligence Community Staff External Research and Analysis Projects request for $3.1 million has increased over the past three years. In view of the ICS' large permanent cadre of senior personnel,

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the Committee questioned the increasing resources (65% over the fiscal year 1981 appropriated amount) for contractor assistance. The majority of these external assistance contracts will either directly or indirectly provide additional analytical manpower. The Committee was not persuaded that such a growth in external contracts was justified and recommends a $0.8 million reduction to the fiscal year 1982 request.

Reorganization (−25 manpower spaces), −$1.0 M

With the promulgation of Executive Order 12036 in the spring of 1978, the Intelligence Community Staff (ICS) was established to provide management support to the Director of Central Intelligence (DCI). It was comprised at the time of the "Resource Management Staff" and the "Collection Tasking Staff" and a total of 245 full time positions was approved by the Congress.

In early March 1981 the DCI directed a reorganization and consolidation of the ICS activities. This reorganization is currently underway. In response to a question regarding the resource impact of the reorganization, the ICS stated "that any potential savings developed through consolidation are expected to be offset by additional functions."

The committee believes that savings will accrue from the consolidation. Moreover, the ICS' "on board" strength has not exceeded 225 for the past four years.

The committee recommends a reduction of 25 positions and $1.0 million in funding.

The Intelligence Community Staff is now made up of personnel who are permanent employees of the Staff and others who are detailed for several years from various intelligence elements. The purpose of section 202(b) is to authorize this staff approach and to require that detailed employees represent all appropriate elements of the Government, including those engaged in intelligence-related activities, whose representation on the Intelligence Community Staff has been inadequate in the past.

Section 202(c) requires that personnel be detailed on a reimbursable basis except for temporary situations. The Staff's authorized size, in the opinion of the committee, is sufficient for the duties which the Staff performs. This provision is intended to ensure that its ranks are not swelled by nonreimbursable detailees.

Section 203 provides the Director of Central Intelligence with authority to manage the activities and to pay the personnel of the Intelligence Community Staff because the Staff is not otherwise authorized in law. However, it is the committee's intent that in the case of detailed personnel, the DCI's authority to discharge personnel shall only extend to discharging detailed personnel from service at the Intelligence Community Staff and not from federal employment or military service.

Title III—Central Intelligence Agency Retirement and Disability System

	Millions
Central Intelligence Agency request	$84.6
Committee recommended change	-----
Committee recommendation	84.6

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Authorization request

Section 301 authorizes appropriations in the amount of $84,600,000 during fiscal year 1982. The CIA Retirement Act of 1964 for Certain Employees (Public Law 88–643) authorized the establishment of CIARDS for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries.

The requested CIARDS funds will finance:

(1) Interest on the unfunded liability;

(2) Cost of annuities attributable to credit allowed for military service;

(3) Normal cost of benefits not met by employee and employer contributions;

(4) The increase is unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of CIARDS is essentially the same as for the Civil Service Retirement System with only minor exceptions. These exceptions are: (a) annuities are based upon a straight 2 percent of high 3-year average salary for each year of service, not exceeding 35; (b) under stipulated conditions a participant may retire with the consent of the Director, or at his direction be retired at age 50 with 20 years of service, or a participant with 25 years of service may be retired by the Director regardless of age; and (c) retirement is mandatory at age 65 for personnel receiving compensation at the rate of GS–18 or above, and at age 60 for personnel receiving compensation at a rate less than GS–18, except that the Director may, in the public interest, extend service up to 5 years.

Annuities to beneficiaries are provided exclusively from the CIARDS Fund maintained through: (a) contributions, currently at the rate of 7 percent, deducted from basic salaries of participants designated by the Director; (b) matching Agency (employer) contributions from the appropriation from which salaries are paid, based on the actual rate of contributions received from participants; (c) transfers from the Civil Service Retirement and Disability Fund representing employee and matching employer contributions for service of Agency employees prior to the date of their participation in the System, and contributions for service of integrated Agency employees included in the System following termination of integrated status; (d) income on investments in U.S. Government securities; and (e) beginning with 1977, direct appropriations consistent with the provisions of Public Law 94–552 (enacted October 17, 1976).

Committee recommendation

The committee recommends appropriation of $84,600,000 which is the full amount requested for the CIA Retirement and Disability Fund for fiscal year 1982.

Title IV—Supplemental Authorization for Fiscal Year 1981

Committee recommendation

Details of the committee's recommendations with respect to the amounts to supplement fiscal year 1981 authorizations under this title are contained in the classified Schedule of Authorizations to accompany H.R. 3454 and the classified annex to this report.

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TITLE V—GENERAL PROVISIONS

Section 501(a) amends the provision of the National Security Act of 1947 (Sec. 303(a)) limiting to $50 the daily compensation paid members of advisory committees appointed by the National Security Council or the Director of Central Intelligence to establish a new compensation ceiling at the rate of the daily equivalent of the pay of a GS–18 government employee.

Section 501(b) makes technical corrections to reflect the renumbering of those sections of Title 18, U.S. Code cited in Section 303(b) of the National Security Act of 1947.

Section 502(a) amends the Central Intelligence Agency Act of 1949 to permit the Director of Central Intelligence to pay benefits and allowances to CIA officers, employees, detailees and assignees comparable to those paid members of the Foreign Service. The effect of this provision is to permit the Director to provide similar allowances and benefits to CIA personnel abroad as those given to Foreign Service officers and to subsequently modify those provisions consistent with changes to the Foreign Service Act any other statute granting benefits and allowances to the Foreign Service.

The subsection also permits the Director to pay other allowances and benefits to CIA personnel in conection with certain specific aspects of authorized intelligence activities—i.e., travel, personnel and physical security, operations and cover. However, this relatively broad grant of authority may be used only where the need for the allowances or benefits arises from special aspects of one or more of the enumerated intelligence activities. The benefit in question must be related directly to one of these intelligence activities and must be required to perform effectively that intelligence activity. The committee does not intend that the special requirements of intelligence activities required by the provision be so unique to those activities that no other government employees can have been similarly affected, but conversely, the Director's authority cannot be used to provide payments under this provision when the benefit is such that it meets a problem faced by significant numbers of government employees outside intelligence work. The committee will scrutinize this aspect of the provision to insure that any imbalance of benefits that may develop among government personnel is the direct result of intelligence needs and does not stem from similarly experienced problems among other groups of government personnel.

The provision also makes clear that, when benefits related to the relocation of CIA personnel are provided for moves within the United States or moves which, in whole or in part, are treated as moves within the United States, reimbursement of such moves may not exceed rates established by statute for all government employees.

Lastly, the subsection permits the Director to establish travel regulations for CIA officers, employees, detailees and assignees which would permit payment of travel expenses inconsistent with governmentwide travel procedures where the Director found that an exception to those general procedures was important to the performance of intelligence functions. Thus, for instance, if the use of government travel vouchers identifying the users as CIA personnel would be incon-

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sistent with the cover of a CIA officer or the conduct of an intelligence mission, the Director could use this authority to provide appropriate travel arrangements that do not have this effect. The committee attaches great importance to the finding that must be made by the Director, because, as with all the provisions of this subsection, its concern is to avoid authorizing special benefits for certain government personnel for which there is not an important intelligence rationale.

All these new provisions of the subsection are subject to the conditions that members of the Armed Services assigned to duty with the CIA may not receive benefits under this subsection and those provided to military personnel under Title 37, United States Code. Absent this reservation, members of the Armed Services could well receive two kinds of travel benefits that could aggregate to more than those available to any other government employees. The committee wishes to avoid this result and has provided that the Director and the Secretary of Defense shall adopt joint regulations to receive this end. These regulations should make a judicious choice between benefits so as to provide the recipients with those benefits which best parallel those received by other government employees—especially CIA personnel—working under similar circumstances. This may result in some differences in benefits available in different geographic locations, but the committee expects that these will be minimal.

In addition, all the authorities provided by the subsection must be implemented by regulations. These regulations must be provided to the committee and to its Senate counterpart for a reasonable period prior to their going into force. A reasonable period in this context would be 30 days except in those circumstances where the committees and the Agency agree that a shorter period is appropriate in light of the circumstances. Regulations are called for in order that such benefits and allowances as are authorized by regulation be scrutinized to determine the ways in which the broad authority recommended by the committee will be employed.

Subsection 502(b) amends the National Security Agency Act of 1959 to permit the Director of the National Security Agency to adopt, where appropriate, for a selected group of civilian and military cryptologic personnel serving in circumstances similar to those in which CIA personnel serve, the same benefits and allowances authorized for CIA personnel under the provisions of subsection 502(a). Identical limitations on the provision of dual benefits to military personnel and a requirement for implementing regulations also apply.

Section 503 amends the National Security Agency Act of 1959 to provide the Director of the National Security Agency with authorities to pay for and otherwise support language and language-related training to NSA employees, and to do so in non-government institutions when suitable training courses or instruction is unavailable through government language training centers: to support non-government programs furnishing such instruction when necessary programs are not available at government language training centers; and to hire or contract for necessary instructors or other language experts as needed. The Director is also authorized to offer incentives to civilian NSA employees to maintain language skills not required for their present employment or to acquire new languages.

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The Director can also offer similar incentives, as well as appropriate training and related benefits and allowances, to retired NSA employees or to other qualified individuals in order to establish a cryptologic linguist reserve. The reserve is intended to provided a skill bank of qualified linguists for use by NSA in circumstances where their talents may be required on short notice. Section 503 specifically provides, however, that the Secretary of Defense must satisfy himself that the establishment of this reserve will not impair the effectiveness of those cryptologic military reserve units which so ably serve a significant portion of the Nation's cryptologic needs.

Lastly, the Director is authorized to provide language training to family members of a certain class of NSA employees who perform representational duties overseas. This provision, which the committee expects will be sparingly used because of the small numbers of such employees, is directly related to the representational duties these employees perform and parallels a similar provision of the Foreign Service Act of 1980. Training provided pursuant to this authority should be provided at government language centers unless appropriate courses or instruction are unavailable or impractical due to schedule or distance or unless the family member is already abroad.

In providing training or benefits and allowances related to that training to employees or to members of the cryptologic linguist reserve, the Director may require agreements from recipients to remain available for service for appropriate times or to recover sums paid to recipients where the agreements are broken. These authorities are to parallel those provided by the Training Act (5 U.S.C. 4108), but the Director is otherwise empowered to waive such other provisions of the Act when he finds it important to the performance of cryptologic functions.

The authorities provided by Section 503, like those in Section 502, must be implemented by regulations provided to the intelligence committees prior to their going into force. Further, appropriations necessary to carry out the provisions of Section 503 must be represented (consistent with existing security procedures) in a line item in the relevant appropriation act. The cost of those language training programs funded through the authority of Section 503 will be a matter of interest to the committee, particularly as the incentive programs and the cryptologic linguist reserve are fully developed.

Section 504 amends the National Security Agency Act to permit the Director of the National Security Agency to make, under applicable law, grants to private individuals and institutions for cryptologic research. These grants are to be offered to fund unclassified research of interest to NSA, although they may make provision for circumstances in which classifiable information is developed by the grantee. They are not to be offered to supplant or otherwise discourage basic research grants available from the National Science Foundation. The provision further requires that expenditures for the grant program be represented by a specific line item in the relevant appropriation act and in a manner consistent with existing security procedures.

Section 505 amends the National Security Agency Act of 1959 to provide that, when funds specifically appropriated to be transferred

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by any department or agency outside of the Department of Defense to NSA for the purpose of purchasing cryptologic equipment and related materials or services, these funds shall remain available for three fiscal years for this purpose. NSA is the central source of procurement within the government for such materials and under present circumstances must often delay purchase orders beyond the availability of funds provided to non-Defense agencies in order to make economical procurements of such equipment. The committee believes that if appropriated funds are clearly represented for such purpose that it serves the public interest—and the public purse—to provide flexibility to make economical purchases.

Section 506 provides authority for adjustments to federal employee compensation and benefits increases during fiscal year 1982 which are authorized by current or subsequently enacted law. It obviates the necessity for a separate authorization for such increases during the fiscal year.

Section 507 establishes the effective date of all the provisions of Title V as October 1, 1981.

Committee Position

On May 7, 1981, the Permanent Select Committe on Intelligence, a quorum being present, approved the bill with no change and ordered it favorably reported by a vote of 9 yea, 0 nay.

Oversight Findings

With respect to clause 2 (1)(3)(A) of rule XI of the House of Representatives, the committee has held extensive hearings regarding the nature and conduct of the intelligence and intelligence-related activities of the U.S. Government in preparing this legislation. This review is outlined under the scope of the committee review section of the report. A wide range of recommendations regarding intelligence programs and their management has been included within the classified annex of this report.

Fiscal Year Cost Projections

With respect to clause 2(1)(3)(B) of rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this legislation does not provide new budget authority or tax expenditures. The committee has attempted pursuant to clause 7(a)(1) of rule XIII of the Rules of the House of Representatives to ascertain the outlays which will occur in fiscal year 1982 and the 5 years following if these amounts are appropriated. These estimates, which agree with those made by the Intelligence Community Staff, are contained in the classified annex. The committee's estimates are in accordance with those of the executive branch.

Congressional Budget Office Estimate

With respect to clause 2(1)(3)(C) of rule XI of the House of Representatives, the committee has received no report from the Congressional Budget Office.

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RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

With respect to clause 2(1)(3)(D) of rule XI of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to the subject of this bill.

INFLATION IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the House of Representatives, the committee has attempted to determine the inflationary impact of the bill.

The committee finds no adequate method to identify the inflationary impact of the present legislation. Further, the bill does not provide specific budget authority but rather authorizations for appropriation. Hence, any inflationary impact would depend on the amounts actually appropriated. Despite these limitations, the committee believes that the legislation would not be inflationary in that the programs authorized do not require materials, production capacity or other economic resources which are in short supply.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no changes is proposed is shown in roman):

SECTION 303 OF THE NATIONAL SECURITY ACT OF 1947

ADVISORY COMMITTEES AND PERSONNEL

SEC. 303. (a) The Director of the Office of Defense Mobilization, the Director of Central Intelligence, and the National Security Council, acting through its Executive Secretary, are authorized to appoint such advisory committees and to employ, consistent with other provisions of this Act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation, while serving as members of such committees, shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation [at a rate not to exceed $50 for each day of service] *at a daily rate not to exceed the daily equivalent of the rate of pay in effect for grade GS–18 of the General Schedule established by section 5332 of title 5, United States Code*, as determined by the appointing authority.

(b) Service of an individual as a member of any such advisory committee, or in any other part-time capacity for a department or agency hereunder, shall not be considered as service bringing such individual within the provisions of section [281, 283, or 284 of Title

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18] *203, 205, or 207 of title 18,* United States Code, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves a department or agency which such person is advising or in which such department or agency is directly interested.

SECTION 4 OF THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SEC. 4. (*a*) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, shall—

* * * * * * *

(*b*) (*1*) *The Director may pay to officers and employees of the Agency, and to persons detailed or assigned to the Agency from other agencies of the Government or from the Armed Forces, allowances and benefits comparable to the allowances and benefits authorized to be paid to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4081 et seq.) or any other provision of law.*

(*2*) *The Director may pay allowances and benefits related to officially authorized travel, personnel and physical security activities, operational activities, and cover-related activities (whether or not such allowances and benefits are otherwise authorized under this section or any other provision of law) when payment of such allowances and benefits is necessary to meet the special requirements of work related to such activities. Payment of allowances and benefits under this paragraph shall be in accordance with regulations prescribed by the Director. Rates for allowances and benefits under this paragraph may not be set at rates in excess of those authorized by section 5724 and 5724a of title 5, United States Code, when reimbursement is provided for relocation attributable, in whole or in part, to relocation within the United States.*

(*3*) *Notwithstanding any other provision of this section or any other provision of law relating to the officially authorized travel of Government employees, the Director, in order to reflect Agency requirements not taken into account in the formulation of Government-wide travel procedures, may by regulation authorize the travel of officers and employees of the Agency, and of persons detailed or assigned to the Agency from other agencies of the Government or from the Armed Forces who are engaged in the performance of intelligence functions, and may provide for payment for such travel, in cases in which, in the opinion of the Director, such travel is important to the performance of intelligence functions.*

(*4*) *Members of the Armed Forces may not receive benefits under both this section and title 37, United States Code, for the same purpose.*

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The Director and Secretary of Defense shall prescribe joint regulations to carry out the preceding sentence.

(5) Regulations issued pursuant to this subsection (and any changes to such regulations) shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations (or such changes) take effect.

NATIONAL SECURITY AGENCY ACT OF 1959

* * * * * * *

SEC. 9. (a) * * *

(b) The Director of the National Security Agency, on behalf of the Secretary of Defense, may provide to certain civilian and military personnel of the Department of Defense who are assigned to special cryptologic activities outside the United States and who are designated by the Secretary of Defense for the purposes of this subsection—

[(1) allowances and benefits comparable to those provided by the Secretary of State to officers and employees of the Foreign Service under paragraphs (1), (2), (7), (9), (10), and (11) of section 911, and under sections 912, 914, 933, 941, 942, and 945, of the Foreign Service Act of 1946 (22 U.S.C. 1136 (1), (2), (7), (9), (10), (11), 1137, 1138a, 1148, 1156, 1157, 1160); and]

(1) allowances and benefits—

(A) comparable to those provided by the Secretary of State to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4081 et seq.) or any other provision of law; and

(B) in the case of selected personnel serving in circumstances similar to those in which personnel of the Central Intelligence Agency serve, comparable to those provided by the Director of Central Intelligence to personnel of the Central Intelligence Agency; and

* * * * * * *

(d) Members of the Armed Forces may not receive benefits under both subsection (b)(1) and title 37, United States Code, for the same purpose. The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

(e) Regulations issued pursuant to subsection (b)(1) (and any changes to such regulations) shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations (or such changes) take effect.

SEC. 10. (a) The Director of the National Security Agency shall arrange for, and shall prescribe regulations concerning, language and language-related training programs for military and civilian cryptologic personnel. In establishing programs under this section for language and language-related training, the Director—

(1) may provide for the training and instruction to be furnished, including functional and geographic area specializations;

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(2) may arrange for training and instruction through other Government agencies and, in any case in which appropriate training or instruction is unavailable through Government facilities, through nongovernmental facilities that furnish training and instruction useful in the fields of language and foreign affairs;

(3) may support programs that furnish necessary language and language-related skills, including, in any case in which appropriate programs are unavailable at Government facilities, support through contracts, grants, or cooperation with nongovernmental educational institutions; and

(4) may obtain by appointment or contract the services of individuals to serve as language instructors, linguists, or special language project personnel.

(b)(1) In order to maintain necessary capability in foreign language skills and related abilities needed by the National Security Agency, the Director, without regard to subchapter IV of chapter 55 of title 5, United States Code, may provide special monetary or other incentives to encourage civilian cryptologic personnel of the Agency to acquire or retain proficiency in foreign languages or special related abilities needed by the Agency.

(2) In order to provide linguistic training and support for civilian cryptologic personnel, the Director—

(A) may pay all or part of the tuition and other expenses related to the training of personnel who are assigned or detailed for language and language-related training, orientation, or instruction; and

(B) may pay benefits and allowances in accordance with chapters 57 and 59 of title 5, United States Code, to such personnel who are assigned to training at sites away from their designated duty station.

(c)(1) To the extent not inconsistent, in the opinion of the Secretary of Defense, with the operation of military cryptologic reserve units and in order to maintain necessary capability in foreign language skills and related abilities needed by the National Security Agency, the Director may establish a cryptologic linguist reserve. The cryptologic linguist reserve may consist of former or retired civilian or military cryptologic personnel of the National Security Agency and of other qualified individuals, as determined by the Director of the Agency. Each member of the cryptologic linguist reserve shall agree that, during any period of emergency (as determined by the Director), the member shall return to active civilian status with the National Security Agency and shall perform such linguistic or linguistic-related duties as the Director may assign.

(2) In order to attract individuals to become members of the cryptologic linguist reserve, the Director, without regard to subchapter IV of chapter 55 of title 5, United States Code, may provide special monetary incentives to individuals eligible to become members of the reserve who agree to become members of the cryptologic linguist reserve and to acquire or retain proficiency in foreign languages or special related abilities.

(3) In order to provide training and support for members of the cryptologic linguist reserve, the Director—

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(A) may pay all or part of the tuition and other expenses related to the training of individuals in the cryptologic linguist reserve who are assigned or detailed for language and language-related training, orientation, or instruction; and

(B) may pay benefits and allowances in accordance with chapters 57 and 59 of title 5, United States Code, to individuals in the cryptologic linguist reserve who are assigned to training at sites away from their homes or regular places of business.

(d)(1) The Director, before providing training under this section to any individual, may obtain an agreement with that individual that—

(A) in the case of current employees, pertains to continuation of service of the employee, and repayment of the expenses of such training for failure to fulfill the agreement, consistent with the provisions of section 4108 of title 5, United States Code; and

(B) in the case of individuals accepted for membership in the cryptologic linguist reserve, pertains to return to service when requested, and repayment of the expenses of such training for failure to fulfill the agreement, consistent with the provisions of section 4108 of title 5, United States Code.

(2) The Director, under regulations prescribed under this section, may waive, in whole or in part, a right of recovery under an agreement made under this subsection if it is shown that the recovery would be against equity and good conscience or against the public interest.

(e)(1) Subject to paragraph (2), the Director may provide to family members of military and civilian cryptologic personnel assigned overseas to representational duties, in anticipation of the assignment of such personnel abroad or while abroad, appropriate orientation and language training.

(2) Language training under paragraph (1) may not be provided to any individual through payment of the expenses of tuition or other cost of instruction at a nongovernment educational institution unless appropriate instruction is not available at a Government facility in the United States or, if such individual is already abroad, unless such instruction is directly related to the assignment abroad.

(f) The Director may waive the applicability of any provision of chapter 41 of title 5, United States Code, to any provision of this section if he finds that such waiver is important to the performance of cryptologic functions.

(g) The authority of the Director to enter into contracts or to make grants under this section is effective for any fiscal year only to the extent specifically provided in appropriation Acts.

(h) Regulations issued pursuant to this section (and any changes to such regulations) shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations (or such changes) take effect.

[SEC. 10.] *(i)* The Director of the National Security Agency, on behalf of the Secretary of Defense, may, without regard to section 4109 (a)(2)(B) of title 5, United States Code, pay travel, transportation, storage, and subsistence expenses under chapter 57 of such title to civilian and military personnel of the Department of Defense who are

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assigned to duty outside the United States for a period of one year or longer which involves cryptologic training, language training, or related disciplines.

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SEC. 12. (a) The Director of the National Security Agency may make grants to private individuals and institutions for the conduct of cryptologic research. An application for a grant under this section may not be approved unless the Director determines that the award of the grant would be clearly consistent with the national security.

(b) The grant program established by subsection (a) shall be conducted in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) to the extent that such Act is consistent with and in accordance with section 6 of this Act.

(c) The authority of the Director to make grants under this section is effective for any fiscal year only to the extent specifically provided in appropriation Acts.

SEC. 13. Funds appropriated to any entity of the Federal Government other than an element of the Department of Defense that have been specifically appropriated for the purchase of cryptologic equipment, materials, or services with respect to which the National Security Agency has been designated as the central source of procurement for the Government shall remain available for a period of three fiscal years.

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